BURLINGTON**WORLDWIDE**

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November 24, 2009

Senate Finance Committee
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Attention MTB:

Opposition to S. 1981

To Whom It May Concern:

On behalf of the International Textile Group (ITG), I am writing to strongly oppose S. 1981 a bill to provide for the liquidation or reliquidation of certain line items regarding entries of tailored garments from Costa Rica.

We have several major concerns with this legislation. First, we understand that the products covered by this bill are certain tailored garments constructed from polyester/wool fabric blends. It is clear that the bill is seeking duty relief on the entry of these garments due to the fact that they did not qualify for tariff free treatment under the terms of CAFTA. These products were obviously denied CAFTA duty preferences because they are made from fabrics that were formed outside of the CAFTA region.

ITG is a major U.S manufacturer of the very fabrics that are used in these types of garments. We produce these fabrics at our U.S. facilities in North Carolina. If the U.S. government provides duty rebates for garments made in Costa Rica from fabrics formed outside of the CAFTA region, our business will suffer.

The CAFTA is very specific in that it requires garments of this type to be constructed of fabrics that were either formed in the United States or in one of the other CAFTA countries. This requirement is critical to U.S. and Central American fabric makers. The elimination of this fabric requirement would severely undermine any potential benefits for fabric producers in this region. Instead passage of the bill would allow for fabric to be manufactured in China or India, shipped to Central America for simple assembly and then exported duty free to the United States.

In addition to our production, we believe that the fabrics used in these garments are readily available in the United States from other domestic manufacturers. As a result, we view S. 1981 as highly unacceptable and extremely controversial. Moreover, while the bill did not provide duty payment data for entries listed in the bill, we assume that the monetary loss to the U.S. Treasury would far exceed the normal $500,000 benchmark established for bills under the miscellaneous tariff process.

For all these reason, we strongly oppose S. 1981 and request that it be excluded from inclusion of any miscellaneous tariff package or any other trade bill considered by the United States Senate.

Sincerely,

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